

# Proposed Disposition and Development Strategy for Alameda Point

Alameda Reuse and  
Redevelopment Authority

February 7, 2012

# Presentation Outline

- Summary of Recommendations
- Entitlement Process
- Evaluation Criteria
- Evaluation of Options
- Next Steps

# Summary of Recommendations

- Implement land use amendments for entire property

- Focus on phased approach to disposition and development

- Take different, concurrent approaches to Northern area, Southern area, and Adaptive Reuse area:

- North – Focus on entitlement, disposition and development
- South – Prepare for major commercial opportunity
- Adaptive Reuse – Prepare for commercial adaptive reuse opportunities



# Summary of Recommendations (*cont.*)

- Perform master infrastructure planning for entire base
- Provide upfront funding for entitlement process to be reimbursed via land sale proceeds or other reimbursement agreement
- ARRA lease revenue bonds are potential sources of funds



# Summary of Recommendations (*cont.*)

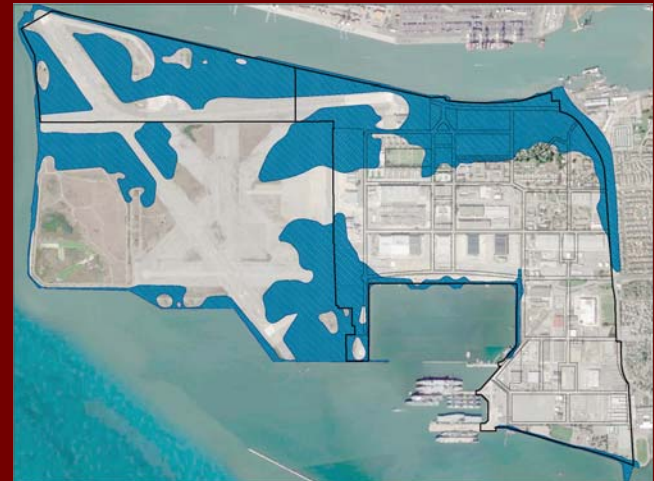
- Issue RFQ for Development Advisor (DA)
  - Experienced land developer
  - Major brownfield redevelopment and urban infill entitlement and development experience
  - DA is paid a monthly fee and possibly “bonus” from land sale proceeds
  - Role of DA in infrastructure development undetermined at this point in time





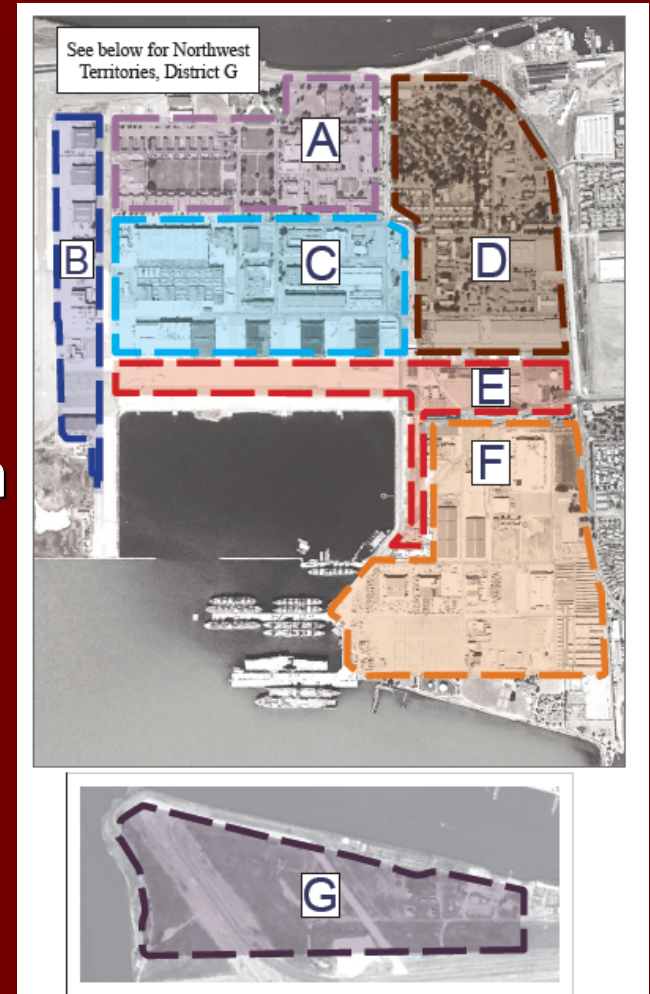
# Entitlement Process: Entire Base

- Land use amendments (to be discussed later this evening)
- Master infrastructure plan
- Other efforts:
  - State Lands Exchange Agreement
  - Navy conveyance



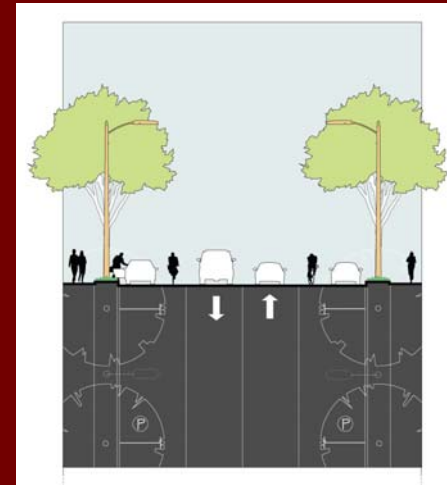
# Entitlement Process: Northern Area

- All land development entitlements excluding design review and small-lot subdivision
- Planned Development (PD) Plan
  - Detailed land use plan
  - Architectural and landscape design guidelines
  - Circulation, street and streetscape plans
  - Infrastructure and transportation requirements
  - Sustainability plans
- Project EIR



# Entitlement Process: Northern Area

- Detailed master demolition, grading, and improvement plan
- Large Lot Subdivision Maps
  - Tentative
  - Final





# Entitlement Process: Southern Area

- Leverage LBNL work:
  - Site identification and characterization
  - Infrastructure engineering and cost estimates
  - Geotechnical and hydrological mitigation strategies
  - Approved soil management plan
  - Marketing materials
  - Demonstrated community acceptance
- Project EIR



# Entitlement Process: Adaptive Reuse Area

- Maintain existing leasing program and process
- Explore new opportunities to:
  - Leverage existing tenants for expansion
  - Actively market key buildings for desired types of new tenants
  - Explore strategic opportunities for long-term leasing
- Environmental Review



# Evaluation Criteria

- **Control over planning process** – *How much control does the ARRA maintain over the planning process?*
- **Entitlement certainty** – *How much certainty does the developer(s) have over what entitlements they are buying, which affects the potential for enhanced land value and performance?*
- **Market and financial feasibility** – *Is the development community sufficiently involved to help improve the market and financial feasibility of the proposed project?*
- **Competition** – *How much competition is there in the selection process, which also may affect the potential for enhanced land value and performance?*
- **Land value** – *How is the potential for land value enhanced or maximized?*

# Evaluation Criteria *(cont.)*

- **Performance** – *How is the potential for “good” performance enhanced or maximized?*
- **Upfront costs** – *How much upfront cost will the ARRA be responsible for funding?*
- **Expediency** – *Is the potential for an expedient and efficient entitlement process maximized?*
- **Transaction** – *How will the transaction be structured and can it minimize providing rights to property prematurely?*

# Evaluation of Options

- Option #1: Maximize Developer Flexibility
  - RFQ for master developer
  - Exclusive Negotiation Agreement (ENA) resulting in DDA/DA
  - Developer led and funded entitlement effort with ARRA input concurrent with DDA/DA negotiations
  - Similar to previous selection processes



# Evaluation of Options (*cont.*)

## ■ Option #1: Maximize Developer Flexibility

### – Pros:

- Minimizes ARRA's upfront costs; all or most of costs likely reimbursed by developer
- Significant upfront developer involvement in preparation of a plan, improving potential feasibility

### – Cons:

- Less ARRA control over entitlement process
- Less expediency due to time spent by developer understanding and developing approach to project
- Minimal competition and entitlement certainty, which minimizes potential for enhanced land value and performance
- Limited rights provided to developer under ENA

# Evaluation of Options (*cont.*)

- Option #2: Enhance Competition
  - RFQ and RFP for master developer
  - Purchase and Sale Agreement (PSA) at end of RFP process
  - Developer led and funded entitlement efforts concurrent with DDA/DA negotiations

# Evaluation of Options (*cont.*)

## ■ Option #2: Enhance Competition

### – Pros:

- Enhances competition through RFP process
- Minimal upfront costs to ARRA; all or most of costs likely reimbursed by developer
- Significant upfront developer involvement in preparation of a plan, improving potential feasibility

### – Cons:

- Minimal to moderate ARRA control over entitlement process
- Minimal entitlement certainty at time of PSA execution
- Price and performance uncertain and conditional without complete entitlements
- Creates incentive for “bait and switch”
- Delays commencement of entitlement process until after more lengthy RFP process
- PSA affords rights to land without much certainty over entitlements

# Evaluation of Options (*cont.*)

- Option #3: Enhance Competition and Entitlement Certainty
  - RFQ and RFP for master developer
  - ARRA provides upfront funds for Project EIR, which commences at time of RFQ issuance
  - Funds from new ARRA lease revenue bond
  - PSA at end of RFP concurrent with completion of EIR
  - Developer led and funded completion of entitlement efforts concurrent with DDA/DA negotiations

# Evaluation of Options (*cont.*)

## ■ Option #3: Enhance Competition and Entitlement Certainty

### – Pros:

- Enhances competition through RFP process
- Enhances entitlement certainty and price of land by completing EIR with PSA
- Improves schedule by commencing Project EIR sooner

### – Cons:

- Moderate ARRA control over entitlement process
- Greater upfront costs to ARRA of \$2.5M to \$3.0M; although all or most of costs most likely reimbursed by developer or land sale proceeds
- Price and terms still somewhat uncertain and conditional without PD Plan and subdivision maps
- Risk of starting Project EIR without developer input



# Evaluation of Options (*cont.*)

- Option #4: Maximize Competition and Entitlement Certainty
  - RFQ for DA
  - Professional services contract with DA on a monthly fee basis with no rights to land during entitlement phase
  - ARRA provides upfront funds for ARRA-led entitlement effort with advice from DA
  - Funds from new ARRA lease revenue bond
  - ARRA completes all land-development entitlements before disposing of property to developer(s)

# Evaluation of Options (*cont.*)

## ■ Option #4: Maximize Competition and Entitlement Certainty

### – Pros:

- Maximizes ARRA control over process
- Improves potential for market and financial feasibility of project through early DA involvement
- Maximizes entitlement certainty, price for land and performance by completing land development entitlements
- Expedites schedule by commencing entitlement process upon selection of DA
- Enhances competition by allowing for the opportunity for developer(s) to bid on large-lot parcels
- Eliminates any developer rights to the land during entitlement process

### – Cons:

- Greatest upfront costs to ARRA of \$4.0M to \$5.0M, although all of most of costs most likely reimbursed by land sale proceeds

Staff Proposes Option #4 as  
Preferred Option

# Next Steps

- Implement land use amendments – February to May 2012
- Provide final direction on proposed disposition and development strategy – March 2012
- Issue RFQ for DA – March 2012
- Issue lease revenue bonds – May 2012
- Select preferred DA – June 2012
- Implement land development entitlement efforts – June 2012 to December 2013

# Questions & Comments